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INTRODUCTION

The YWCA of Metropolitan Detroit-Interim House entered into contract numbers DV-00-82002, ES-00-82002, and RPS-00-82002 with the Michigan Family Independence Agency (FIA). The DV contract was to provide Emergency Shelter, twenty-four Hour Hotline, Crisis, Support, and Group Counseling and Support Services. The RPS contract was to assist victims of domestic violence to achieve safety and autonomy, and provide training for police, prosecutors, advocates and court personnel. The ES contract was to provide services to clients who were at risk of becoming homeless due to domestic violence. The YWCA-Interim House was reimbursed for actual costs incurred through submission of monthly billings to FIA. The contracts totaled \$342,219 for each year and covered the period October 1, 1999 through September 30, 2001.

SCOPE

The Office of Internal Audit performed an audit of YWCA-Interim House to determine if the agency's billings were accurate, and if costs billed were allowable and properly supported by the accounting records and supporting documentation in accordance with the terms of the contract. Our audit covered the period October 1, 1999 through May 31, 2001. Our audit was performed in accordance with Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors.

EXECUTIVE SUMMARY

Based on our audit, we conclude that YWCA-Interim House has underbilled FIA for some items, and overbilled for FIA for other items. Our report recommends the Child and Family Services Administration inform the YWCA of Metropolitan Detroit-Interim House that they may submit revised billings that include the underbilled costs. Our report also recommends that the Child and Family Services Administration initiate the process to recoup the overbilled amounts. Details on the specific amounts to be

recouped, and amounts that may be billed on revised billings, are summarized for each contract covered by our audit in the following schedule of findings and recommendations.

YWCA-INTERIM HOUSE RESPONSE

The management of YWCA-Interim House has reviewed the findings and recommendations included in this report. They indicated in a telephone conversation on October 1, 2001 that they are in general agreement with the report.

FINDINGS AND RECOMMENDATIONS

DV Contract FY2001

Contract and Expenditure Report Budget

1. The YWCA-Interim House contract budget did not agree with the budgeted amounts reported on the Monthly Expenditure Reports. The budgeted amounts reported on the Monthly Expenditure Reports included line items that are not included in the contract budget. The Monthly Expenditure Reports have been approved and paid each month with those line items included.

WE RECOMMEND that the Child and Family Services Administration work with the YWCA-Interim House to prepare a revised contract budget to include the additional line items and related costs that have been reported and approved during the FY 2001 contract year.

Salaries and Fringes

2. The YWCA-Interim House underbilled FIA \$2,235.82 and \$3,837.80 for salaries and fringes respectively due to the actual cost of the salaries and fringe benefits being more than what was billed.

Communication and Miscellaneous

3. The YWCA-Interim House overbilled FIA \$284.67 for telephone charges and \$1,000 for the yearly audit costs for communication and miscellaneous expense respectively because these costs are not included in the contract budget.

WE RECOMMEND that the Child and Family Services Administration inform YWCA-Interim House that they may submit revised billings to bill for the additional \$2,235.82 in salaries expense and the additional \$3,837.80 in fringe benefits expense.

WE ALSO RECOMMEND that the Child and Family Services Administration initiate the process to recoup \$1,284.67 for the overbilled communication and miscellaneous expenses.

RPS Contract FY2001

Salaries and Fringe Benefits

4. The YWCA-Interim House underbilled FIA \$1,365.63 for salaries and \$577.34 for fringe benefits due to the total actual salaries and fringe benefits being more than what was billed.

Communication

5. The YWCA-Interim House overbilled FIA \$350 for telephone charges, which were not included in the contract budget. The contract allowed only for cell phones and pagers in the communications line item.

WE RECOMMEND that Child and Family Services Administration inform the YWCA-Interim House that they may submit revised billings to include the additional \$1,365.63 in salaries expense and \$577.34 in fringe benefits expense.

WE ALSO RECOMMEND that Child and Family Services Administration either allow the YWCA-Interim House to submit a revised budget to include telephone charges under communication instead of pagers and cell phones, or initiate the process to recoup \$350 in telephone charges.

DV Contract FY2000

Salaries and Fringes FY2000

6. The YWCA-Interim House underbilled FIA \$6,178.43 and \$869.52 for salaries and fringes respectively due to the actual cost of the salaries and fringe benefits being more than what was billed.

Communication

7. The YWCA-Interim House overbilled FIA \$668.15 for communication expense because they billed for telephone, printing, and postage costs which were not included in the contract budget.

Supplies

8. The YWCA-Interim House overbilled FIA \$621.78 for supplies because they billed for household goods, office supplies, postage and printing, and gas for the van, which were not included in the contract budget.

Specific Assistance

9. The YWCA-Interim House underbilled FIA \$38 for Specific Assistance because they did not bill for cab fare they paid to transport a client.

Miscellaneous

10. The YWCA-Interim House overbilled FIA \$1,341.06 for miscellaneous expense for pest control, signs, fire extinguishers, training, conferences, and household goods which were not included in the contract budget.

WE RECOMMEND that the Child and Family Services Administration inform YWCA-Interim House that they may submit revised billings to include the additional \$6,148.43 in salaries expense, \$869.52 in fringe benefits expense, and \$38 in specific assistance to individuals expense.

WE ALSO RECOMMEND that the Child and Family Services Administration initiate the process to recoup \$2,630.99 (\$668.15 + \$621.78 + \$1,341.06) from YWCA-Interim House.

RPS Contract FY2000

Fringe Benefits

11. The YWCA-Interim House overbilled FIA \$422 due to the actual cost of the fringe benefits being less than what was billed. The error was due to previous fiscal year expenses being included in the current billing report.

Communication

12. The YWCA-Interim House overbilled FIA \$225 for communications expense because they billed for telephone charges, which were not included in the contract budget.

Miscellaneous

13. The YWCA-Interim House overbilled FIA \$53.80 for miscellaneous expense because they billed for postage, which was not included in the contract budget.

WE RECOMMEND that the Child and Family Services Administration initiate the process to recoup \$700.80 (\$422 + \$225 + \$53.80) from YWCA-Interim House for fringe benefits, communication and miscellaneous expenses billed that were not included in the contract budget.